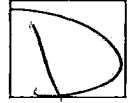


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-04049A  
DS Water Company  
PO Box 786  
Desert Springs, AZ 86432

RECEIVED

APR 12 2007

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-12-07 RF

SCANNED

5-14-07

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>DS Water Company</u>			
<b>Mailing Address</b> <u>P.O. Box 786</u>			
(Street)			
<u>Desert Springs</u>		<u>AZ</u>	<u>86432</u>
(City)		(State)	(Zip)
<u>928-347-5467</u>		<u>702-346-1892</u>	<u>435-701-2007</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>rick.holm@hotmail.com</u>			
<b>Local Office Mailing Address</b> <u>See above</u>			
(Street)			
(City)		(State)	(Zip)
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Rick Holm</u>		<u>Manager</u>	
(Name)		(Title)	
<u>P.O. Box 786</u>		<u>Desert Springs</u>	<u>AZ</u> <u>86432</u>
(Street)		(City)	(State) (Zip)
<u>928-347-5467</u>		<u>702-346-1892</u>	<u>435-701-2007</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>rick.holm@hotmail.com</u>			
<b>On Site Manager:</b> <u>same as above</u>			
(Name)			
(Street)		(City)	(State) (Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Richard L. Sallquist Sallquist, Drummond, & O'Connor PC  
 (Name)

1430 E. Missouri Ave., Suite B-125 Phoenix, AZ 85014  
 (Street) (City) (State) (Zip)

602-224-9222 602-224-9866  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Richard L. Sallquist Sallquist, Drummond, & O'Connor PC  
 (Name)

4500 S. Lakeshore Drive, Suite 339 Tempe, AZ 85282  
 (Street) (City) (State) (Zip)

480-839-5202 480-345-0412  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |  |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO          |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE          |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL             |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA              |
| <input type="checkbox"/> STATEWIDE  |                                   |  |

COMPANY NAME

DS Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,056.80	844.40	212.40
302	Franchises	28,780.87	6,875.73	21,905.14
303	Land and Land Rights			
304	Structures and Improvements	26,301.44	4,159.78	22,141.66
307	Wells and Springs	18,849.22	3,040.27	15,808.95
309	Supply Mains	110,562.48	4,006.08	106,556.40
311	Pumping Equipment	48,673.52	23,869.89	24,803.63
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	37,572.42	7,030.93	30,541.49
331	Transmission and Distribution Mains	55,983.20	9,609.68	46,373.52
333	Services			
334	Meters and Meter Installations	31,459.66	10,159.74	21,299.92
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	11,964.30	7,390.80	4,573.50
343	Tools, Shop and Garage Equipment	239.22	11.95	227.27
344	Laboratory Equipment			
345	Power Operated Equipment	612.88	110.65	502.23
346	Communication Equipment	6,894.04	4,051.40	2,842.64
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>378,950.05</b>	<b>81,161.30</b>	<b>297,788.75</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DS Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,056.80	20.00	211.40
302	Franchises	28,780.87	6.67	1,918.73
303	Land and Land Rights			
304	Structures and Improvements	26,301.44	3.33	871.78
307	Wells and Springs	18,849.22	3.33	628.27
309 311	Supply Mains Pumping Equipment	110,562.48 48,673.52	2.00 12.50	2,054.08 5,923.89
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	37,572.42	2.22	834.93
331	Transmission and Distribution Mains	55,983.20	2.00	1,119.68
333	Services			
334	Meters and Meter Installations	31,459.66	8.33	2,609.74
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	11,964.30	20.00	2,392.80
343	Tools, Shop and Garage Equipment	239.22	5.00	11.95
344	Laboratory Equipment			
345	Power Operated Equipment	612.88	5.00	30.65
346	Communication Equipment	6,894.04	10.00	689.40
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>378,950.05</b>		<b>19,297.30</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME DS Water Company

### BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 0.00	\$ 12,960.51
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	626.78	984.21
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	3,689.16	3,689.16
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 4,315.94	\$ 17,633.88
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 360,477.36	\$ 378,950.05
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	- 61,864.00	- 81,161.30
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 298,613.36	\$ 297,788.75
	<b>TOTAL ASSETS</b>	\$ 302,929.30	\$ 315,422.63

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME DS Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 0.00	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,100.00	1,900.00
236	Accrued Taxes	56.79	714.58
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,439.94	937.99
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 2,596.73	\$ 3,552.57
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 530,923.42	\$ 0.00
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	3,570.00	4,080.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 3,570.00	\$ 4,080.00
	<b>TOTAL LIABILITIES</b>	\$ 537,090.15	\$ 7,632.57
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 3,000	\$ 3,000
211	Paid in Capital in Excess of Par Value	108,000	758,923.42
215	Retained Earnings	- 345,160.85	- 454,133.36
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ - 234,160.85	\$ 307,790.06
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 302,929.30	\$ 315,422.63

COMPANY NAME DS Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,315.84	\$ 1,480.32
460	Unmetered Water Revenue	41,188.28	42,147.82
474	Other Water Revenues	6,360.00	3,324.63
	<b>TOTAL REVENUES</b>	<b>\$ 48,864.12</b>	<b>\$ 46,952.77</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 87,058.83	\$ 84,761.71
610	Purchased Water		
615	Purchased Power	2,148.21	1,683.23
618	Chemicals	132.24	73.47
620	Repairs and Maintenance	13,564.09	6,942.70
621	Office Supplies and Expense		
630	Outside Services	4,051.96	9,250.21
635	Water Testing	908.67	1,208.59
641	Rents	299.74	7,449.56
650	Transportation Expenses	6,575.72	12,616.76
657	Insurance – General Liability	4,511.31	6,436.04
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	3,436.15	4,063.59
403	Depreciation Expense	18,162.00	19,297.30
408	Taxes Other Than Income	35.25	2.05
408.11	Property Taxes	1,582.00	2,117.15
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 142,466.22</b>	<b>\$ 155,902.36</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ -93,602.10</b>	<b>\$ -108,949.59</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 41.62	\$ 80.23
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	2,585.60	-100.00
427	Interest Expense	30.50	-3.15
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ -2,574.48</b>	<b>\$ -22.92</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ -96,176.58</b>	<b>\$ -108,972.51</b>



COMPANY NAME OS Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	9/30/2005			
Source of Loan	Monte Holm			
ACC Decision No.				
Reason for Loan	Fund cash Short fall			
Dollar Amount Issued	\$ 530,923.42	\$	\$	\$
Amount Outstanding	* \$ 0.00	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 4,080.00

Meter Deposits Refunded During the Test Year \$ 340.00

\* The debt was converted to additional paid-in capital on October 31, 2006

COMPANY NAME DS Water Company		
Name of System DS Water	ADEQ Public Water System Number (if applicable) 08-072	

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-51226Z	20 Hp	186 gal/min.	51 ft.	8"	6"	1985

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Well #2 - Not in Service		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5 Hp (5DB2)	2	None	N/A
10 Hp (10DB2)	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80,000	2	119 gallon	8

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b> <u>DS Water Company</u>	
<b>Name of System</b> <u>DS Water</u>	<b>ADEQ Public Water System Number (if applicable)</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	6,104 ft.
3		
4	PVC	19,318 ft.
5		
6	PVC/C-900	5,585 ft.
8	PVC/C-900	1,500 ft.
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	83
3/4	
1	6
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

None

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**STRUCTURES:**

Well House

Pressurization House

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**OTHER:**

245' Steel Support Structure over Virgin River

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: <u>DS Water Company</u>	
Name of System <u>DS Water</u>	ADEQ Public Water System Number (if applicable) <u>08-072</u>

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	89	566,120	630,710	566,120
FEBRUARY	89	591,010	645,870	591,010
MARCH	88	586,500	628,650	586,500
APRIL	88	747,559	800,100	747,559
MAY	88	1,099,141	1,177,220	1,099,141
JUNE	87	1,020,790	1,106,430	1,020,790
JULY	87	1,072,630	1,137,910	1,072,630
AUGUST	88	1,230,590	1,273,820	1,230,590
SEPTEMBER	88	1,062,680	1,085,380	1,062,680
OCTOBER	88	808,600	1,268,310	808,600
NOVEMBER	89	698,320	796,310	698,320
DECEMBER	89	780,510	933,510	780,510
TOTALS →		10,204,450	11,484,220	10,204,450

What is the level of arsenic for each well on your system? 7 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? n/a GPM for     hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes n/a ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (X) No

If yes, provide the GPCPD amount: n/a

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME NS Water company YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 2,117.15

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2468 - \$18.15 - 10/05/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2468
PAY TO THE ORDER OF: Jean Garcia		\$ 18.15		10/05/2006
Eighteen and 15/100		DOLLARS		
MEMO: Jean Garcia P.O. Box 2241 Mesaquite, NV 89027		1004758		10000001815
Handwritten: <i>Pat A. Wyman</i>				

2477 - \$1,229.72 - 10/05/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2477
PAY TO THE ORDER OF: Jean Garcia		\$ 1,229.72		10/05/2006
One Thousand Two Hundred Twenty-Nine and 72/100		DOLLARS		
MEMO: Jean Garcia P.O. Box 2241 Mesaquite, NV 89027		1004758		10000122972
Handwritten: <i>Pat A. Wyman</i>				

2469 - \$79.58 - 10/05/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2469
PAY TO THE ORDER OF: Beaver Dam Station		\$ 79.58		10/05/2006
Seventy-Nine and 58/100		DOLLARS		
MEMO: Beaver Dam Station P.O. Box 349 Beaver Dam, AZ 85602		1004758		10000007958
Handwritten: <i>Pat A. Wyman</i>				

2478 - \$1,528.98 - 10/04/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2478
PAY TO THE ORDER OF: Pat A. Wyman		\$ 1,528.98		10/04/2006
One Thousand Five Hundred Twenty-Eight and 98/100		DOLLARS		
MEMO: Pat A. Wyman 442 Valley View Circle Mesaquite, NV 89027		1004758		10000152898
Handwritten: <i>Pat A. Wyman</i>				

2471 - \$2,008.38 - 10/04/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2471
PAY TO THE ORDER OF: Malheur County Treasurer		\$ 2,008.38		10/04/2006
Two Thousand Eight and 38/100		DOLLARS		
MEMO: Malheur County Treasurer 144 E. Federal P.O. Box 712 Prineville, OR 97672		1004758		10000200838
Handwritten: <i>Pat A. Wyman</i>				

2480 - \$103.80 - 10/13/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2480
PAY TO THE ORDER OF: Arizona Department of Revenue		\$ 103.80		10/13/2006
One Hundred Three and 80/100		DOLLARS		
MEMO: Arizona Department of Revenue P.O. Box 25010 Phoenix, AZ 85028-9510		1004758		10000010380
Handwritten: <i>Pat A. Wyman</i>				

2472 - \$197.75 - 10/06/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2472
PAY TO THE ORDER OF: Thousand Springs Automotive		\$ 197.75		10/06/2006
Nineteen and 75/100		DOLLARS		
MEMO: Thousand Springs Automotive 1080 First Street P.O. Box 422 Mesaquite, NV 89027		1004758		10000019775
Handwritten: <i>Pat A. Wyman</i>				

2481 - \$445.00 - 10/04/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2481
PAY TO THE ORDER OF: Pat A. Wyman		\$ 445.00		10/04/2006
Four Hundred Forty-Five and 00/100		DOLLARS		
MEMO: Pat A. Wyman 442 Valley View Circle Mesaquite, NV 89027		1004758		10000044500
Handwritten: <i>Pat A. Wyman</i>				

2475 - \$49.95 - 10/03/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2475
PAY TO THE ORDER OF: Cy Dierbeck Inc		\$ 49.95		10/03/2006
Forty-Nine and 95/100		DOLLARS		
MEMO: Cy Dierbeck Inc 24 DeSoto Dr Box 1001 Mesaquite, NV 89027		1004758		10000004995
Handwritten: <i>Pat A. Wyman</i>				

2482 - \$405.90 - 10/05/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2482
PAY TO THE ORDER OF: Stephen Hocking, LLC		\$ 405.90		10/05/2006
Four Hundred Five and 90/100		DOLLARS		
MEMO: Stephen Hocking, LLC 821 Gadsday Circle Mesaquite, NV 89027		1004758		10000040590
Handwritten: <i>Pat A. Wyman</i>				

2476 - \$25.00 - 10/05/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2476
PAY TO THE ORDER OF: American Express		\$ 25.00		10/05/2006
Twenty-Five and 00/100		DOLLARS		
MEMO: American Express Box 1001 Los Angeles CA 90081-0001		1004758		10000002500
Handwritten: <i>Pat A. Wyman</i>				

2483 - \$35.50 - 10/12/2006

D S WATER COMPANY 801 GADSDAY CIRCLE MESAQUITE, NV 89027		BANK OF NEVADA MESAQUITE, NV BR/ST 94-210-1204		2483
PAY TO THE ORDER OF: Rio Virgin Telephone Company		\$ 35.50		10/12/2006
Thirty-Five and 50/100		DOLLARS		
MEMO: Rio Virgin Telephone Company 801 West Mesaquite Blvd Mesaquite, NV 89027		1004758		10000003550
Handwritten: <i>Pat A. Wyman</i>				

2333

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/12/2006

PAY TO THE ORDER OF: Staples

\$53.91

Fifty-Three and 91/100

DOLLARS

Staples Credit Plan  
P. O. Box 9020  
Des Moines, IA 50305-0020

MEMO: Acct. #107222000547595

*Patti A. Wynn*

⑆002333⑆ ⑆122402104⑆ 1004758⑆ ⑆000005391⑆

Check 2333 Amount 53.91 Date 4/12/2006

2334

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/10/2006

PAY TO THE ORDER OF: Mesquite Lumber & Supply/Ace Hardware

\$47.86

Forty-Seven and 86/100

DOLLARS

Mesquite Lumber & Supply/Ace Hardware  
102 W Mesquite Blvd  
Mesquite, NV 89027

MEMO: Cmt. #28012

*Patti A. Wynn*

⑆002334⑆ ⑆122402104⑆ 1004758⑆ ⑆000004786⑆

Check 2334 Amount 47.86 Date 4/10/2006

2335

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/10/2006

PAY TO THE ORDER OF: Mohave County Finance Department

\$1,010.81

One Thousand Ten and 81/100

DOLLARS

Mohave County Finance Department  
P. O. Box 7000  
Kingman, AZ 86402-7000

MEMO: 2005 Franchise Fee Payable

*Patti A. Wynn*

⑆002335⑆ ⑆122402104⑆ 1004758⑆ ⑆000010108⑆

Check 2335 Amount 1010.81 Date 4/21/2006

2336

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Juan Garcia

\$1,229.72

One Thousand Two Hundred Twenty-Nine and 72/100

DOLLARS

Juan Garcia  
P. O. Box 2281  
Mesquite, NV 89024

MEMO: Pay Period: 04/01/2006 - 04/15/2006

*Patti A. Wynn*

⑆002336⑆ ⑆122402104⑆ 1004758⑆ ⑆000012297⑆

Check 2336 Amount 1229.72 Date 4/20/2006

2337

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Patti A. Wynn

\$1,563.98

One Thousand Five Hundred Sixty-Three and 98/100

DOLLARS

Patti A. Wynn  
442 Valley View Circle  
Mesquite, NV 89027

MEMO: Pay Period: 04/01/2006 - 04/15/2006

*Patti A. Wynn*

⑆002337⑆ ⑆122402104⑆ 1004758⑆ ⑆000015639⑆

Check 2337 Amount 1563.98 Date 4/17/2006

2338

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Mohave Environmental Lab

\$50.00

Fifty and 00/100

DOLLARS

Mohave Environmental Lab  
1090 Highway 95  
Bullhead City, AZ 86429

MEMO: Inv. #25550 - Total Dissolved Solids

*Patti A. Wynn*

⑆002338⑆ ⑆122402104⑆ 1004758⑆ ⑆000005000⑆

Check 2338 Amount 50.00 Date 4/18/2006

2339

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: NAPA Auto Parts

\$3.54

Three and 54/100

DOLLARS

NAPA Auto Parts  
One Stop Auto Parts  
331 12th Street  
Elko, NV 89801

MEMO: Acct. #12255 - Parts for 1999 Dodge Truck

*Patti A. Wynn*

⑆002339⑆ ⑆122402104⑆ 1004758⑆ ⑆000000354⑆

Check 2339 Amount 3.54 Date 4/24/2006

2340

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: ADOT-Motor Vehicle Division

\$118.66

One Hundred Eighteen and 66/100

DOLLARS

ADOT  
Motor Vehicle Division  
4005 N. 51st Ave.  
Phoenix, AZ 85031-2988

MEMO: 1999 Dodge Truck Registration & Taxes

*Patti A. Wynn*

⑆002340⑆ ⑆122402104⑆ 1004758⑆ ⑆000001186⑆

Check 2340 Amount 118.66 Date 4/26/2006

2341

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: PBCC

\$150.14

One Hundred Fifty and 14/100

DOLLARS

PBCC  
Pikey Barnes Credit Corp.  
P. O. Box 85840  
Louisville, KY 40285-0400

MEMO: Postage Meter Quarterly Invoice

*Patti A. Wynn*

⑆002341⑆ ⑆122402104⑆ 1004758⑆ ⑆000001501⑆

Check 2341 Amount 150.14 Date 4/20/2006

2342

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Kemp, Burdick, Hinton, & Hall, Nevada L.C.

\$1,003.55

One Thousand Three and 55/100

DOLLARS

Kemp, Burdick, Hinton, & Hall, Nevada L.C.  
P. O. Box 3575  
Mesquite, NV 89024-3575

MEMO: Inv. #100436 Client #520752

*Patti A. Wynn*

⑆002342⑆ ⑆122402104⑆ 1004758⑆ ⑆000010035⑆

Check 2342 Amount 1003.55 Date 4/21/2006

2343

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Arizona Department of Revenue

\$527.35

Five Hundred Twenty-Seven and 35/100

DOLLARS

Arizona Department of Revenue  
P. O. Box 25010  
Phoenix, AZ 85038-0010

MEMO: January - March 2006 Sales Tax

*Patti A. Wynn*

⑆002343⑆ ⑆122402104⑆ 1004758⑆ ⑆000005273⑆

Check 2343 Amount 527.35 Date 4/20/2006

2344

D S WATER COMPANY  
821 GADLAY CIRCLE  
MESQUITE, NV 89027

BANK OF NEVADA  
MESQUITE, NV 89027  
94-210-1234

4/15/2006

PAY TO THE ORDER OF: Rigoberio Garcia

\$85.00

Eighty-Five and 00/100

DOLLARS

Rigoberio Garcia  
P. O. Box 2241  
Mesquite, NV 89024

MEMO: 8.5 hours @ \$10.00/hour

*Patti A. Wynn*

⑆002344⑆ ⑆122402104⑆ 1004758⑆ ⑆000008500⑆

Check 2344 Amount 85.00 Date 4/19/2006

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**RECEIVED**

APR 19 2007

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Monroe</u>	<u>AZ CORP COMM</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Rick Holm</u>	<u>Director Utilities</u>
COMPANY NAME <u>NS Water Company</u>	

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

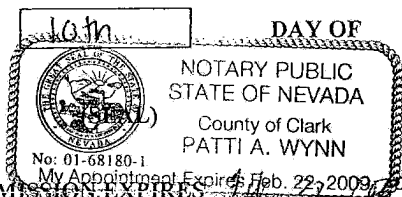
928-347-5467

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

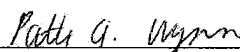
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES Feb. 22, 2009

COUNTY NAME <u>Clark</u>	
MONTH <u>April</u>	<u>2007</u>



SIGNATURE OF NOTARY PUBLIC



COMPANY NAME DS Water Company

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

$$\begin{array}{r} \text{S Corp} \quad \text{C Corp} \\ -103,337 \quad - \quad 4,311 = -107,648 \end{array}$$

Estimated or Actual Federal Tax Liability

0.00

State Taxable Income Reported

$$\begin{array}{r} \text{S Corp} \quad \text{C Corp} \\ -103,337 \quad - \quad 4,311 = -107,648 \end{array}$$

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

120,000.42

Amount of Gross-Up Tax Collected

0.00

Total Grossed-Up Contributions/Advances

120,000.42

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4.10.07

DATE

Rick Holm

PRINTED NAME

Manager/owner

TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

**RECEIVED**

APR 18 2007

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	AZ CORP COMM
NAME (OWNER OR OFFICIAL) TITLE <u>Rick Holm</u>	Director Utilities
COMPANY NAME <u>PS water company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2006
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 46,952.77

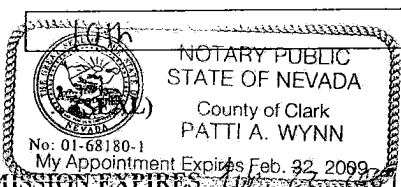
(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2,721.97  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME <u>Clark</u>	
MONTH <u>April</u>	.20 <u>07</u>

Rick Holm

SIGNATURE OF OWNER OR OFFICIAL

928-347-5467

TELEPHONE NUMBER

Patti A. Wynn

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Feb. 22, 2009

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

**RECEIVED**

APR 19 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Rick Holm</u>	TITLE <u>Owner</u>
COMPANY NAME <u>PS Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 46,952.77

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 2,721.47

IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Rick Holm*  
SIGNATURE OF OWNER OR OFFICIAL

928-347-5467  
TELEPHONE NUMBER

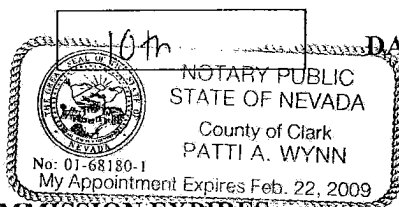
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10th DAY OF

(SEAL)

MY COMMISSION EXPIRES



Feb. 22, 2009

NOTARY PUBLIC NAME <u>Patti A. Wynn</u>	
COUNTY NAME <u>Clark</u>	
MONTH <u>April</u>	<u>2007</u>

X

*Patti A. Wynn*

SIGNATURE OF NOTARY PUBLIC